The Health Reimbursement Arrangement (HRA)

The Strategy in 60 Seconds

You already buy glasses, dental work and over-the-counter medicine with after-tax dollars. Here's exactly how a health reimbursement arrangement can flip that, in sixty seconds.

How the spousal HRA is built

- **FAMILY MANAGEMENT LLC - You own it. Sole prop or partnership.**
- **HIRE YOUR SPOUSE - Real role, real work, real payroll.**
- **WRITE IT IN THE AGREEMENT - Salary plus an HRA as a benefit.**
- **REIMBURSE ON RECEIPTS - She pays, submits, company repays.**

The list is longer than you think

- Dental and root canals
- Vision, glasses, contacts
- OTC pain relievers
- Bandages and first aid
- Sunscreen and chapstick
- Baby health items

COVERS SPOUSE, YOU AND THE KIDS

The Law Behind It (primary sources)

Verify against the source before relying. This is education, not legal or tax advice.

26 U.S.C. Sec. 105 - Amounts received under employer accident and health plans - the exclusion that makes HRA reimbursements tax-free to the employee.

https://www.law.cornell.edu/uscode/text/26/105

26 U.S.C. Sec. 106 - Employer-provided coverage under an accident or health plan is excluded from the employee's gross income.

https://www.law.cornell.edu/uscode/text/26/106